

## **BILL ANALYSIS**

H.B. 1592  
By: Oliverson  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Surprise medical billing most commonly occurs with emergency departments and freestanding emergency rooms or when a facility-based physician or other practitioner does not have a contract with the same health plans that have contracted with the facility in which they practice. An enrollee who is admitted into one of these facilities for a procedure or an emergency often becomes ultimately responsible for an unexpected bill. To address this issue, the 86th Texas Legislature established protections against surprise medical billing. This legislation took effect in January of 2020 and only applied to health insurance plans regulated by the Texas Department of Insurance. The law did not regulate health insurance plans that are self-funded, because those are regulated by the federal Employee Retirement Income Security Act (ERISA) of 1974. In December 2020, the federal No Surprises Act passed giving patients with self-funded, ERISA-regulated health insurance plans, which cover a majority of insured Texans, protection from surprise medical billing. The law enacted by the 86th Legislature was not preempted by these federal protections and will continue to apply with respect to state-regulated plans. H.B. 1592 seeks to allow these self-funded, ERISA-regulated plans the option to opt into the state law rather than the federal No Surprises Act.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 2 of this bill.

### **ANALYSIS**

H.B. 1592 amends the Insurance Code to make provisions establishing balance billing prohibitions and establishing out-of-network dispute resolution procedures applicable to a health benefit plan:

- that is a self-insured or self-funded plan established by an employer for the benefit of the employer's employees in accordance with the federal Employee Retirement Income Security Act of 1974; and
- for which the plan sponsor has made an election, submitted to the commissioner of insurance in the form and manner prescribed by the commissioner, to apply the provisions to the plan for the relevant plan year.

The bill requires the commissioner to adopt rules necessary to implement these provisions not later than December 1, 2023.

### **EFFECTIVE DATE**

September 1, 2023.